

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

**USTR Press Releases are available on the USTR home page at WWW.USTR.GOV.
They are also available through the USTR Fax Retrieval System at 202-395-4809.**

**FOR IMMEDIATE RELEASE
Friday, May 8, 1998**

**Contact: 98 - 48
Jay Ziegler
Helaine Klasky
202) 395-3230**

USTR Pursues WTO Case Against Mexico on High Fructose Corn Syrup

United States Trade Representative Charlene Barshefsky announced today that the United States is invoking the dispute settlement procedures of the World Trade Organization (WTO) to challenge an action taken by Mexico to limit Mexican imports of high fructose corn syrup (HFCS) -- a sweetener widely used in soft drinks and other products.

"Mexico's antidumping action does not pass muster under WTO rules," said Ambassador Barshefsky, "and we believe a WTO panel would agree." The United States is challenging several aspects of Mexico's antidumping determination on HFCS grades 42 and 55 from the United States, alleging that Mexico violated the WTO Antidumping Agreement. Ambassador Barshefsky also stated "Mexico's actions on fructose are deeply disturbing and its final determination violated the WTO Antidumping Agreement in a number of important respects."

The Mexican National Chamber of Sugar and Alcohol Industries, an association of sugar producers in Mexico, filed a petition against imports of HFCS from the United States on January 14, 1997. On February 27, 1997, the Mexican Secretariat of Commerce and Industrial Development (SECOFI) published a notice initiating an antidumping investigation. SECOFI's preliminary affirmative determination of dumping and threat of material injury was published on June 25, 1997 and the United States and Mexico held WTO consultations a first time regarding SECOFI's actions on October 8, 1997. On January 23, 1998, Mexico published its final determination finding that imports of HFCS from the United States are dumped and are threatening the Mexican sugar industry with material injury. The final dumping margins ranged from \$63.75 to \$100.60 per metric ton for Grade 42 HFCS and \$55.37 to \$175.50 per metric ton for Grade 55 HFCS.

The first step in the WTO dispute settlement process is to request consultations, which must be held within 30 days. If a mutually satisfactory solution is not reached within 60 days after requesting consultations, the matter may be referred to a panel for review. Panels are generally expected to conclude their work within six to nine months.